

House File 544 - Introduced

HOUSE FILE 544

BY ISENHART

A BILL FOR

1 An Act related to the discontinuance of live dog racing at
2 certain racetracks, providing for a surcharge, making an
3 appropriation, and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **99D.9A Alternative dog racetrack**
2 **licensure.**

3 A licensee authorized to operate a pari-mutuel dog racetrack
4 and to conduct gambling games pursuant to section 99F.6 as of
5 January 1, 2011, shall, if a proposition to discontinue live
6 dog races at the racetrack enclosure is approved by a majority
7 of the county electorate voting on the proposition, discontinue
8 scheduling performances of live dog races at the racetrack
9 and maintain a license under this chapter for purposes of
10 permitting pari-mutuel wagering on simultaneously telecast dog
11 races.

12 Sec. 2. Section 99D.11, subsection 6, paragraph b, Code
13 2011, is amended to read as follows:

14 b. (1) The commission may authorize the licensee to
15 simultaneously telecast within the racetrack enclosure, for
16 the purpose of pari-mutuel wagering, a horse or dog race
17 licensed by the racing authority of another state. It is
18 the responsibility of each licensee to obtain the consent of
19 appropriate racing officials in other states as required by
20 the federal Interstate Horseracing Act of 1978, 15 U.S.C.
21 § 3001 - 3007, to televise races for the purpose of conducting
22 pari-mutuel wagering.

23 (2) A licensee may also obtain the permission of a person
24 licensed by the commission to conduct horse or dog races
25 in this state to televise races conducted by that person
26 for the purpose of conducting pari-mutuel racing. However,
27 arrangements made by a licensee to televise any race for
28 the purpose of conducting pari-mutuel wagering are subject
29 to the approval of the commission, and the commission shall
30 select the races to be televised. The races selected by the
31 commission shall be the same for all licensees approved by the
32 commission to televise races for the purpose of conducting
33 pari-mutuel wagering. The commission shall not authorize the
34 simultaneous telecast or televising of and a licensee shall
35 not simultaneously telecast or televise any horse or dog race

1 for the purpose of conducting pari-mutuel wagering unless the
2 simultaneous telecast or televising is done at the racetrack of
3 a licensee that schedules no less than sixty performances of
4 nine live races each day of the season or that is not obligated
5 to schedule performances of live races pursuant to section
6 99D.9A.

7 (3) For purposes of the taxes imposed under this chapter,
8 races televised by a licensee for purposes of pari-mutuel
9 wagering shall be treated as if the races were held at the
10 racetrack of the licensee. Notwithstanding any contrary
11 provision in this chapter, the commission may allow a licensee
12 to adopt the same deductions as those of the pari-mutuel
13 racetrack from which the races are being simultaneously
14 telecast.

15 Sec. 3. Section 99D.15, subsection 4, Code 2011, is amended
16 to read as follows:

17 4. a. A tax of two percent is imposed on the gross sum
18 wagered by the pari-mutuel method on horse races and dog
19 races which are simultaneously telecast. The tax imposed by
20 this subsection is in lieu of the taxes imposed pursuant to
21 subsection 1 or 3, but the tax revenue from simulcast horse
22 races shall be distributed as provided in subsection 1 and the
23 tax revenue from simulcast dog races shall be distributed as
24 provided in subsection 3.

25 b. A dog racetrack licensee who is not obligated to
26 schedule performances of live races pursuant to section 99D.9A
27 shall pay an additional surcharge of eighteen percent on the
28 taxes otherwise imposed pursuant to this subsection for the
29 year in which the discontinuation of racing occurs and for
30 each of the subsequent six years. In the seventh subsequent
31 year, the surcharge shall be twelve percent. In the eighth
32 subsequent year, the surcharge shall be six percent. In the
33 ninth subsequent year, the surcharge shall be three percent.
34 In the tenth and all other subsequent years, there shall be no
35 surcharge. All moneys collected due to the surcharges in this

1 paragraph shall be deposited in the rebuild Iowa infrastructure
2 fund created in section 8.57, subsection 6.

3 Sec. 4. Section 99F.6, subsection 4, paragraph b, Code 2011,
4 is amended to read as follows:

5 b. The commission shall authorize the licensees of
6 pari-mutuel dog racetracks located in Dubuque county and Black
7 Hawk county to conduct gambling games as provided in section
8 99F.4A if the licensees schedule at least one hundred thirty
9 performances of twelve live races each day during a season of
10 twenty-five weeks. For the pari-mutuel dog racetrack located
11 in Pottawattamie county, the commission shall authorize the
12 licensee to conduct gambling games as provided in section
13 99F.4A if the licensee schedules at least two hundred ninety
14 performances of twelve live races each day during a season of
15 fifty weeks. The commission shall approve an annual contract
16 to be negotiated between the annual recipient of the dog racing
17 promotion fund and each dog racetrack licensee to specify the
18 percentage or amount of gambling game proceeds which shall be
19 dedicated to supplement the purses of live dog races. The
20 parties shall agree to a negotiation timetable to insure no
21 interruption of business activity. If the parties fail to
22 agree, the commission shall impose a timetable. If the two
23 parties cannot reach agreement, each party shall select a
24 representative and the two representatives shall select a
25 third person to assist in negotiating an agreement. The two
26 representatives may select the commission or one of its members
27 to serve as the third party. Alternately, each party shall
28 submit the name of the proposed third person to the commission
29 who shall then select one of the two persons to serve as the
30 third party. All parties to the negotiations, including the
31 commission, shall consider that the dog racetracks were built
32 to facilitate the development and promotion of Iowa greyhound
33 racing dogs in this state and shall negotiate and decide
34 accordingly. However, the requirement to schedule performances
35 of live races for purposes of conducting gambling games under

1 this chapter shall not apply to a licensee who is not obligated
2 to schedule performances of live races pursuant to section
3 99D.9A.

4 Sec. 5. Section 99F.11, Code 2011, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 4. A dog racetrack licensee who is not
7 obligated to schedule performances of live races pursuant to
8 section 99D.9A shall pay an additional surcharge of eighteen
9 percent on the tax otherwise imposed pursuant to this section
10 for the year in which the discontinuation of racing occurs
11 and for each of the subsequent six years. In the seventh
12 subsequent year, the surcharge shall be twelve percent. In the
13 eighth subsequent year, the surcharge shall be six percent.
14 In the ninth subsequent year, the surcharge shall be three
15 percent. In the tenth and all other subsequent years, there
16 shall be no surcharge. All moneys collected due to the
17 surcharges in this subsection shall be deposited in the rebuild
18 Iowa infrastructure fund created in section 8.57, subsection 6.

19 Sec. 6. LIVE GREYHOUND RACING — PROPOSITION. A licensee
20 conducting live dog racing at a pari-mutuel racetrack pursuant
21 to a license issued under chapter 99D and conducting gambling
22 games under chapter 99F may submit a written demand to the
23 board of supervisors in the county where the pari-mutuel
24 racetrack is located to place a proposition on the ballot for
25 the county electorate voting in the 2012 general election,
26 or in any general or county-wide election thereafter, to
27 discontinue operation of live dog racing. Upon receipt of such
28 written demand, the county board of supervisors shall place the
29 proposition on the ballot, and the licensee shall pay the costs
30 of placing the proposition on the ballot. If the proposition
31 is approved, the licensee shall, no sooner than ninety days
32 following the approval of the proposition at election,
33 discontinue live dog racing at a pari-mutuel racetrack, except
34 to the extent required to comply with existing contracts.

35 Sec. 7. IOWA GREYHOUND RACING TRANSITION FUND.

1 1. A greyhound racing transition fund is created in the
2 state treasury under the control of the racing and gaming
3 commission.

4 2. The fund shall consist of all of the following:

5 a. Moneys in the dog racing promotion fund created in
6 section 99D.12 and the Iowa horse and dog breeders fund
7 created in section 99D.22, that were deposited in those funds
8 from a dog racetrack licensee that discontinues scheduling
9 performances of live dog races pursuant to section 99D.9A.

10 b. Moneys credited to the fund from a dog racetrack licensee
11 that discontinues scheduling performances of live dog races
12 pursuant to section 99D.9A representing the remaining balance
13 of all dog purse supplement payments owed by the licensee
14 pursuant to an agreement approved by the commission.

15 c. Moneys charged and deposited in the fund from a dog
16 racetrack licensee that discontinues scheduling performances
17 of live dog races pursuant to section 99D.9A in an amount
18 determined by the commission to be necessary for the
19 requirements of this section.

20 3. Moneys in the fund shall be disbursed by the racing and
21 gaming commission for the following purposes:

22 a. The humane disposition of all greyhounds bred for racing
23 at the track as determined by the commission.

24 b. Transitional assistance to breeders and kennels, as
25 determined by the commission in consultation with the Iowa
26 greyhound association.

27 c. Transitional assistance, in collaboration with the
28 department of workforce development, for all workers employed
29 by breeders, kennels, or other firms whose principal business
30 is servicing live greyhound racing in Iowa.

31 4. For purposes of this section, transitional assistance to
32 workers shall include all of the following:

33 a. Twenty-six weeks of severance, notice of layoff, or
34 a combination of twenty-six weeks of severance and notice of
35 layoff.

1 b. Reimbursement to the unemployment trust fund for all
2 unemployment insurance benefit payments to workers terminated
3 from employment by breeders, kennels, or other firms whose
4 principal business is servicing live greyhound racing in Iowa.

5 c. Job training and other benefits equivalent to that which
6 the workers would be entitled if they were to qualify for
7 benefits under the federal Trade Assistance and Adjustment Act,
8 as determined by the department of workforce development.

9 d. Amounts sufficient to reimburse the racing and gaming
10 commission and the department of workforce development for
11 administration of the provisions of this section.

12 5. Section 8.33 does not apply to any moneys in the fund.
13 Notwithstanding section 12C.7, subsection 2, interest or
14 earnings on moneys deposited in the fund shall be credited to
15 the fund.

16 Sec. 8. COLLECTIVE BARGAINING AGREEMENTS — WORKER
17 PROTECTION. A licensee who is not obligated to schedule
18 performances of live dog races pursuant to section 99D.9A who
19 is a party to a collective bargaining agreement, shall, as a
20 condition of the license, bargain or otherwise reach agreement
21 with the union over the effects of the racing shutdown on the
22 employment status, wages, hours, and working conditions of
23 represented employees, with provisions not less than those
24 specified in this Act.

25 Sec. 9. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
26 immediate importance, takes effect upon enactment.

27 EXPLANATION

28 This bill relates to the conduct of live pari-mutuel dog
29 racing and voter referendums.

30 The bill permits a pari-mutuel dog racing licensee, that is
31 also licensed to conduct gambling games, to submit a written
32 demand to the board of supervisors in the licensee's county to
33 place a proposition on the ballot for the general election in
34 2012, or for any subsequent general or county-wide election, to
35 discontinue live dog racing at the racetrack. Upon receiving

1 such a demand, the board must place the proposition on the
2 ballot and the licensee must pay the costs of having the
3 proposition placed on the ballot. If the proposition to
4 discontinue live dog racing is approved, then the licensee
5 shall discontinue live dog racing no sooner than 90 days
6 following approval of the discontinuance, except to the extent
7 necessary to comply with existing contracts. The licensee
8 must, however, maintain a license under chapter 99D for the
9 purposes of permitting pari-mutuel wagering on simultaneously
10 telecast dog races.

11 The bill imposes an additional surcharge of 18 percent on the
12 taxes imposed on wagering conducted pursuant to chapter 99F and
13 on pari-mutuel wagering on simultaneously telecast dog races
14 for those licensees who are no longer required to conduct live
15 dog races for the year in which live racing is discontinued and
16 the six subsequent years. The surcharge falls to 12 percent in
17 the seventh subsequent year, 6 percent in the eighth, 3 percent
18 in the ninth, and the surcharge sunsets in the tenth subsequent
19 year. The bill states that moneys collected pursuant to these
20 surcharges are directed to the rebuild Iowa infrastructure
21 fund.

22 The bill creates an Iowa greyhound racing transition fund.
23 The fund is created in the state treasury and is controlled by
24 the Iowa racing and gaming commission. The bill requires that
25 certain moneys, collected from the licensee, be transferred
26 into this fund. The bill contains provisions for disbursement
27 of moneys within the fund, including the humane disposition
28 of greyhounds and certain transitional assistance. The
29 requirements of Code sections 8.33 and 12C.7 shall not apply
30 to this fund.

31 The bill requires that such a licensee who is subject to
32 a collective bargaining agreement, as a condition of their
33 license, must bargain or reach an agreement with the union
34 regarding the effects of the discontinuance of live dog racing.

35 The bill makes additional conforming amendments.

1 The bill takes effect upon enactment.